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March 12, 2020

## By Email and First Class Mail

Mr. Mahesh Shetty

2708 Arbor Ct.

Richardson, Texas 75082

Re: Board of Directors of SG Blocks Inc. ("Board")

Dear Mr. Shetty,

The Board has engaged our firm to follow-up with you regarding the Board's request, in emails dated February 28, 2020, and March 4, 2020, that you tender your resignation immediately. By way of background, by email dated January 14, 2020, you wrote to Board members Chris Melton, James Potts and Yaniv Blumenfeld and stated:

"As requested before, I also want to explore what the Board wants my ongoing role to be. As all of you know, I served as President and CFO until my termination last year. ***I will defer to the Board's decision on my continuing to serve as a Board member.*** I look forward to your response on whatever you decide on the Board issue." (emphasis added)

By email dated February 28, 2020, Messrs. Melton, Potts and Blumenfeld wrote to you and requested that you tender your resignation from the Board, as follows:

The Board has considered your inquiry, set forth in your email dated January 14, 2020, concerning your continued service on the Board, and has concluded that it is in the best interests of the Board and the Company for you to tender your resignation. Please issue same forthwith.

Board of Directors of SG Blocks Inc.

By email dated March 3, 2020, and notwithstanding that you are represented by counsel regarding your employment claims, you responded to the Board, stating, in part:

In lieu of escalating matters further, my suggestion would be to effect a comprehensive settlement and release that will allow each party to move on. Let me know if this is of interest so I can request my counsel to hold off on any further action.

Mr. Mahesh Shetty  
March 12, 2020

By email dated March 4, 2020, the Board responded to you as follows:

Your email dated March 3, 2020 to Mr. Melton has been forwarded to the Board for review and response. The Board does not believe that your continued service on the Board is appropriate and has asked for your resignation; a decision you previously indicated you would abide by. Moreover, the Board also does not believe that withholding or conditioning your resignation therefrom upon negotiation and/or settlement of your employment related litigation claims is appropriate. Please tender your resignation forthwith.


Any settlement negotiations concerning your litigation claims must only be had between your attorney and Company counsel. If there is a settlement offer your attorney wants to make please have him contact Mr. Soulios.

To date, the Board has received no reply from you. Please confirm to the undersigned by the close of business today that (i) you will honor your prior agreement to abide by the Board's decision regarding your continued service on the Board, and (ii) you will tender your resignation immediately. Failure to abide by the Board's request will only result in actions necessary to remove you, at additional cost (including attorneys' fees) to the Company for which it will seek to hold you responsible.

Because you have (i) previously indicated to the Company that your counsel (Mr. Ramon at the time) did not represent you vis-à-vis the Board, (ii) failed to abide by my previous requests to have Mr. Gordon represent your interests (and to cease from any further communications with the Company's officers and directors) concerning your personal legal matters, and (iii) did not copy Mr. Gordon on your recent communications with the Board, this letter is directed to you personally. If Mr. Gordon is representing you with respect to the Board, please forward this letter to him and direct him to confirm his representation in that capacity, and cease from any further communications with the Board members.

All rights are reserved.

Sincerely,

DocuSigned by:  
  
FC68AA9C459F4AE...

Steven A. Soulios